



U.S. Department of Housing and Urban Development

Honolulu Field Office – Region IX
500 Ala Moana Boulevard, Suite 3A
Honolulu, Hawaii 96813
<http://www.hud.gov>
<http://www.espanol.hud.gov>

MAY

14 2009

Mr. Rix Maurer III
Director
Department of Budget and Fiscal Services
City and County of Honolulu
530 South King Street, Room #208
Honolulu, HI 96813

Dear Mr. Maurer:

SUBJECT: Final Annual Community Assessment Report
Program Year 2007

This is in response to Mayor Mufi Hannemann's letter of December 15, 2008, which responded to the U.S. Department of Housing and Urban Development's (HUD's) Annual Community Assessment (ACA) report. HUD appreciates the clarification and additional information provided by the City and County of Honolulu (City) on the issues pertaining to its Community Planning and Development programs. The City may consider the ACA report final and make it available to the public using your standard notification process.

If you have any questions, please call me at 522-8180 extension 265.

Sincerely,

Rebecca C. Borja, Acting Director
Office of Community Planning
and Development

cc:

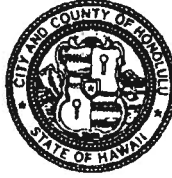
Ms. Holly Kawano
Federal Grants Coordinator
Department of Budget and Fiscal Services
City and County of Honolulu
530 South King Street, Room #208
Honolulu, HI 96813

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BUDGET & FISCAL SVCS
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C & C OF HONOLULU

OFFICE OF THE MAYOR
CITY AND COUNTY OF HONOLULU
530 SOUTH KING STREET, ROOM 300 • HONOLULU, HAWAII 96813
PHONE: (808) 523-4141 • FAX: (808) 527-5552

MUFU HANNEMANN
MAYOR



December 15, 2008

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Mr. Mark A. Chandler, Director
Office of Community Planning
and Development
U.S. Department of Housing
and Urban Development
Hawaii State Office
500 Ala Moana Boulevard, Suite 3A
Honolulu, Hawaii 96813

Dear Mr. Chandler:

Subject: Annual Community Assessment Report
Program Year 2007

This responds to your letter of November 20, 2008, which transmitted the Annual Community Assessment Report (ACA) report to the City and County of Honolulu (City). While we are pleased that HUD has approved the submission of the Consolidated Annual Performance and Evaluation Report (CAPER) and has commended the City for its successes in the administration of the Community Planning and Development (CPD) programs, there are some items that we wish to comment on.

CDBG

It was noted that there was little activity during the program year in the area of microenterprise assistance and the development of additional Neighborhood Revitalization Strategy Areas (NRSA). The City acknowledges that progress in these program areas has been slower than anticipated and we are reassessing ways in which we may assist communities in meeting their goals.

Mr. Mark A. Chandler
U.S. Department of Housing
and Urban Development
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Advancing slow-moving activities is another program area we will continue to prioritize over the coming year. Stalled projects now receive regular status reviews as the City works to complete the activities and close them out in the Integrated Disbursement and Information System (IDIS). Further, we recognize that such projects greatly impact our ability to be timely and are giving greater weight to the ability to quickly implement activities in our assessment of project proposals.

HOME

While the City has made significant progress in addressing HOME red flags during the program year, we are aware that one flag remains. Many long-delayed projects have recently started construction, and the downturn in the construction industry has meant that they now have the available resources to more quickly complete their buildings. Therefore, we are confident that the flag for HOME fund rental disbursements to all rental commitments will be cleared during the coming months.

The City's monitoring of HOME-assisted projects is another area that we can commit to improving over the coming year. A long-vacant monitoring position in Post Development Monitoring (PDM) has recently been filled and another has been added to the budget. Since the program year ended on June 30, 2008, PDM has made 10 site-visits to HOME-assisted properties and plans to complete at least half of the 21 required monitorings in the first six months of the current year.

COMMUNITY EMPOWERMENT

Although the City reported that no oral or written comments were received regarding the Consolidated Annual Performance and Evaluation Report (CAPER) during citizen participation meetings, the City nevertheless received assistance from the community during discussions of the current Action Plan and Consolidated Plan. Members of the public are also always welcome to provide their comments at meetings of the Honolulu City Council. This past year saw many representatives from the nonprofit community provide testimony when program priorities and funding were on the agenda.

Additional opportunities for public involvement come as City staff regularly attend community meetings and events; hold a well-attended annual training for new subrecipients; and communicate with existing subrecipients through site visits, telephone calls, and email.

Mr. Mark A. Chandler
U.S. Department of Housing
and Urban Development
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AREAS FOR IMPROVEMENT AND RECOMMENDATIONS

As recommended, the City will continue to strengthen its internal controls and carefully monitor the CPD programs; ensure that projects are timely and funds are protected from fraud, waste, and abuse; comply with the HOME program rental housing monitoring regulations; and identify project obstacles and develop plans to address these obstacles in order to strengthen our programs.

To assist with this we have developed guidelines for managing CDBG-funded public facilities and HOME-funded housing projects as a resource for recipients and subrecipients and continued to refine our Request for Proposal (RFP) procedure to ensure greater accountability and a more transparent process. Well-received changes include a joint selection committee consisting of community representatives nominated by both the City Council and the Administration and a revised scoring system that gives greater emphasis to a project's ability to proceed, past track record, and to the fulfillment of underserved Consolidated Plan goals.

In closing, thank you for the professional and courteous assistance of both you and your staff in helping us fulfill our obligations under the CPD programs. I look forward to continuing to work with you in the future.

If you need additional information or have any questions regarding our comments, please call Holly Kawano, Federal Grants Coordinator, at 768-3930.

With warm regards and aloha,

Yours truly,

A handwritten signature in black ink, appearing to read 'Mufi Hannemann', with a long horizontal flourish extending to the right.

Mufi Hannemann
Mayor

cc: Department of Budget and Fiscal Services
Department of Community Services



U.S. Department of Housing and Urban Development

Honolulu Field Office – Region IX
500 Ala Moana Boulevard, Suite 3A
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November 20, 2008

The Honorable Mufi Hannemann
Mayor
City and County of Honolulu
530 South King Street
Honolulu, HI 96813

Dear Mayor Hannemann:

**SUBJECT: Annual Community Assessment (ACA) Report
Program Year 2007**

BUDGET & FISCAL SVCS
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This letter is being sent to convey HUD's assessment of the City and County of Honolulu's (City) performance for its 2007 Community Planning and Development (CPD) Program Year. The report reflects the City's efforts to ensure compliance with HUD Community Development Block Grant (CDBG), HOME Investment Partnerships Program (HOME), Emergency Shelter Grant (ESG), and Housing Opportunities for Persons with AIDS (HOPWA) programs.

As part of HUD's annual review, the Department wants to take this opportunity to address the CDBG program timeliness requirements, and the importance it plays in ensuring that the intent of the CDBG program is achieved. HUD CDBG regulations require recipients to carry out their CDBG activities in a timely manner thus ensuring low- and moderate-income persons are assisted. The standard requires grantees to be at a 1.5 CDBG timeliness ratio 60 days prior to the end of their program year. In other words, the City's CDBG line of credit cannot exceed its current year's grant plus one-half of that amount. The City's program year ends June 30 of each year. About May 1st of each year, or 60 days prior to the end of the City's program year, the City must have a CDBG grant ratio of 1.5 or less. During this period, the City had a CDBG timeliness ratio of 1.49.

HUD congratulates the City for taking affirmative steps to maintain its good standing in three out of five red flag indicators regarding the City's HOME program performance. Specifically, the City maintained good standing in its percentage of completed CHDO disbursements to all CHDO reservations, percentage of renters below 50 percent of the area median income, and percentage of occupied rental units to all rental units. The City's efforts resulted in an overall ranking in the 40th percentile which places the City in the top 60 percent of local participating jurisdictions in the nation.

HUD recognizes the attention to detail in the City's Consolidated Annual Performance and Evaluation Report (CAPER). The CAPER clearly describes the City's efforts to improve its performance. HUD encourages the City to continue to make improvements to its program and report processes.

The enclosed Annual Community Assessment Report reflects HUD's assessment on the City's implementation of its CPD programs. It notes the City's successes and areas needing improvement. The City will have 30 days from the date of this letter to comment on the report. Should the City not wish to comment on the report, or fails to comment within the above time period, please consider the report final and make it available to the public using your standard notification process.

If you have any questions regarding our comments, please call me at 808-522-8180, extension 264, or Rebecca Borja, Senior Community Planning and Development Representative, at the same number, extension 265.

Sincerely,

A handwritten signature in black ink, appearing to read "Mark A. Chandler", with a stylized flourish at the end.

Mark A. Chandler, Director
Office of Community Planning
and Development

Enclosure

ANNUAL COMMUNITY ASSESSMENT REPORT

City and County of Honolulu

Program Year: July 1, 2007 to June 30, 2008

HUD Point of Contact:

Ms. Rebecca Borja
Senior CPD Representative
Office of Community Planning
and Development
HUD Honolulu Field Office
500 Ala Moana Boulevard, Suite 3A
Honolulu, HI 96813
(808) 522-8180, x265

City Point of Contact:

Ms. Holly Kawano
Federal Grants Coordinator
Department of Budget and Fiscal
Services
City and County of Honolulu
530 South King Street, Room #208
Honolulu, HI 96813
(808) 527-5062

Introduction

The Housing and Community Development Act of 1974, as amended, and the National Affordable Housing Act of 1990, require federal grant recipients receiving federal assistance under the Act to submit an annual performance report disclosing the status of grant activities. The U.S. Department of Housing and Urban Development (HUD) is required by 24 CFR 91.525 to determine whether the grant recipient is in compliance with the statutes, and has the continuing capacity to implement and administer the programs for which assistance is received. In accordance with 24 CFR 91.525, HUD's comments below, and the cover letter above, incorporate the Department's assessment of the City and County of Honolulu's (City's) Program Year 2007 performance.

In assessing the City's performance, HUD relied primarily upon the City's Program Year 2007 Consolidated Annual Performance and Evaluation Report (CAPER), technical assistance, on-site monitoring, and communications with the City's federal programs staff. During this period, the City generally met the intent of the Community Planning and Development (CPD) programs, which include, but are not limited to, the Community Development Block Grant (CDBG), HOME Investment Partnerships Program (HOME), Emergency Shelter Grant (ESG), and Housing Opportunities for Persons with AIDS (HOPWA) programs.

Significant Performance Conclusions

Overall, the City has generally been successful in the management of its CPD programs, which includes the CDBG, HOME, ESG and HOPWA programs. In accordance with the CDBG regulations, the timeliness ratio benchmark should be 1.50 sixty days prior to the end of the City's program year. The City's CDBG timeliness ratio was 1.49 as of May 2, 2008. HUD commends the City staff for its hard work and efforts in bringing the City's timeliness ratio into

compliance at the May 2, 2008, test date. HUD encourages the City to continue seeking ways for timely project implementation.

CPD Programs

CDBG

The City used CDBG funds address housing and special needs, fair housing, homelessness, and community development needs during Program Year 2007. The City's management of its CDBG program has ensured that low- and moderate-income persons will primarily benefit and receive program assistance. During the Program Year, 99.80 percent of CDBG funds (excluding funds expended for administration and planning) were spent on activities that benefited low and moderate income persons.

The City's Consolidated Plan describes the following four priority concerns that will be addressed through the CDBG program: housing and special needs housing, homelessness, community development, and fair housing. During the Program Year, the City carried out 16 public facilities and improvement activities, 26 public services activities, three (3) affordable housing rehabilitation activities, one (1) community development activity, and four (4) economic development activities. HUD notes that the City has surpassed some of its goals, such as in the areas of providing funding for affordable housing, improving public facilities for persons with disabilities and the elderly, and providing various services to low- and moderate persons.

The City completed the following CDBG activities:

- Acquisition of land for Piikoi Vista, a senior rental affordable housing project.
- Construction of Kahumana Phase 2, a multi-family affordable rental housing project for low income families.
- Physical accessibility improvements to the American Red Cross Diamond Head facility.
- Façade improvements to the Pacific Gateway Center.
- Renovations to the Institute for Human Services Ka'ahi Street homeless shelter.
- Improvements to Aala Park including softball field, landscaping, and pedestrian promenade.
- Demolition of a building in a blighted community.
- Acquisition and renovation of a vacant building to establish the Waipahu Festival Market.

The City met or surpassed the following Consolidated Plan goals for program years 2005-2007:

- Increase homeownership opportunities by providing low interest loans to 210 low and moderate-income homeowners to correct deteriorating and hazardous conditions on their properties in the last three (3) years.
- Strengthened communities through the acquisition, construction, or renovation of three (3) public facilities to benefit persons with disabilities and low and moderate income persons in Program Year 2007. The City has acquired, constructed, or renovated 29 public facilities for persons with disabilities, elderly, and low and moderate income persons in the last three (3) years.
- Strengthened communities through 21,943 improvements to infrastructure that removed barriers for the mobility impaired in the last three (3) years.
- Strengthened communities by providing additional funding for operation of facilities to benefit 505 abused spouses and children. Since 2005, 2,542 abused spouses and children have received services and public facilities operated with CDBG funds.
- Provided additional services to 14 persons with disabilities in Program Year 2007. Since 2005, 48 persons with disabilities have received services funded by CDBG.
- Provided additional services to 342 elderly persons in Program Year 2007. Since 2005, 9,936 elderly persons received services funded by CDBG.
- Provided remedial educational, occupational skills development, recreational and/or other necessary supportive services to 1,681 predominantly low and moderate income youth. Since 2005, 27,803 youth benefited from CDBG funded supportive services activities.
- Served 18,297 low and moderate income persons through public service activities such as substance abuse recovery, life skills and employment training, legal counseling, and health services. In the last three (3) years, 48,966 low and moderate income persons received CDBG funded public services.
- Expanded economic development opportunities:
 - Provided micro-enterprise assistance to 120 Low and Moderate Income Persons in Program Year 2007. A total of 397 low and moderate income persons received micro-enterprise assistance in the last three (3) years.
 - Assisted enterprises create or retain 46 jobs primarily for low to moderate income individuals since 2005.
 - Assisted eight (8) enterprises provide goods and services to low and moderate income areas. In the last three (3) years, nine (9) enterprises doing business in low to moderate income areas received CDBG assistance.

- Strengthened communities through community, neighborhood and project development planning. In Program Year 2007, seven (7) communities received assistance to develop, review, or update their strategic plans and prepare action plans. A total of 34 communities have benefited from this assistance in the last three (3) years.

The City took the following affirmative steps towards accomplishing Consolidated Plan goals to strengthen communities in program years 2005-2007:

- Acquired, constructed, or renovated one (1) public facility that serves predominantly low and moderate income children in the last three (3) years.
- Acquired, constructed, or renovated of one (1) public facility that serves low and moderate income at risk youth in Program Year 2007. A total of two (2) public facilities benefiting low and moderate income at risk youth have been acquired, constructed, or renovated since 2005.
- Acquired, constructed, or renovated of one (1) public facility to benefit abused spouses and children in the last three (3) years.
- Acquired of one (1) fire protection apparatuses to benefit low and moderate income communities in the last three (3) years.
- Prepared and administered one planning study – analysis of impediments to fair housing, Hawaii housing policy study, homeless point-in-time count, and homeless needs assessment study – in Program Year 2007.
- Assisted two (2) community projects obtain funding to address most urgent needs outlined in the community's strategic plan in Program Year 2007. A total of three (3) community projects received assistance in the last three (3) years.
- Provided low interest loans to one (1) commercial property owner in Chinatown to correct deteriorated and hazardous conditions on their properties in Program Year 2007.

The City did not accomplish its Consolidated Plan goals for program years 2005-2007 to:

- Reduce unemployment and underemployment through the establishment of microenterprises.
- Provide technical assistance for communities to develop strategic plans and to obtain designations as Neighborhood Revitalization Strategy Area (NRSA).

HUD notes the various activities undertaken by the City that are slow moving with little activity during the program year. These activities include Hui Hana Pono Clubhouse, St. Francis Residential Elderly Care, ORI Anuenue Hale, Inc., Palolo Chinese Home, Nanakuli Hawaiian Homestead, and Pearl City Foundation Day Care. HUD acknowledges the City's efforts, as described in the CAPER, to work with the organizations to complete construction and start operations within the next twelve months. The City should continue to closely monitor these activities and ensure that they progress in a timelier manner.

HUD notes the following 2002 or earlier year funded activities currently underway in IDIS: Hui Hana Pono Clubhouse and St. Francis Residential Elderly Care. The City should review the status of these activities and take affirmative steps to complete the activities and report the accomplishments in IDIS.

Overall, the City has been successful in implementing activities that utilize CDBG funding. HUD encourages the City to undertake activities that will address unmet Consolidated Plan goals. As stated above, HUD congratulates the City on meeting the timeliness standard as required by the CDBG regulation.

HOME

The City is expending its HOME funds toward projects that will assist low- and moderate-income persons. HOME funds are required to be committed within 24 months and expended within 60 months of the grant award. Failure to commit and expend funds within the required time period will result in the deobligation of the funds. During this period, the City met the commitment and expenditure requirements within the required time periods.

HUD congratulates the City for taking affirmative steps to maintain its good standing in three out of five red flag indicators regarding the City's HOME program performance. Specifically, the City maintained good standing in its percentage of completed CHDO disbursements to all CHDO reservations, percentage of renters below 50 percent of the area median income, and percentage of occupied rental units to all rental units. The City's efforts resulted in an overall ranking in the 40th percentile which places the City in the top 60 percent of local participating jurisdictions in the nation.

The City still has a flag for percentage of rental disbursements to all rental commitments and allocation years not disbursed. The City is ranked in the bottom 14 percent in the nation for HOME fund rental disbursements to all rental commitments. The City is ranked in the bottom 20 percent in the nation for HOME funds disbursed. HUD recognizes that the City has made some improvements in its disbursement of HOME funds and strongly encourages the City to take steps to improve its timely expenditure and commitment of the funds. Continued poor performance in this area may result in the future loss of HOME funds.

During the Program Year, the City carried out seven (7) affordable housing new construction projects, one (1) affordable housing rehabilitation project, and two (2) homebuyer projects.

The City met or surpassed the following Consolidated Plan goals for program years 2005-2007:

- Completed construction of Kahumana Phase 2, a multi-family affordable rental housing project for low income families.
- Increased homeownership opportunities by providing low interest down payment loans and closing cost loans to low and closing cost loans to 65 low and moderate-income homebuyers in the last three (3) years.
- Maintained affordable housing for low- and moderate-income families and special needs populations by providing funds as grants or loans to nonprofit agencies to carry out capital type improvements on 2 rental housing facilities used to house low and moderate-income families and special needs populations in the last three (3) years.

The City took the following affirmative steps towards accomplishing Consolidated Plan goals in program years 2005-2007:

- Increased homeownership by providing down payment assistance to 61 low and moderate-income first-time homebuyers in the last three (3) years.
- Increased rental housing opportunities by providing funds as gap/equity financing to nonprofit developers of affordable rental housing to develop 47 units in Program Year 2007. A total of 156 affordable rental units have been developed in the last three (3) years.
- Provided affordable rental housing for special needs populations through grants or loans to nonprofit agencies to develop or acquire 17 units of housing for seniors and special needs populations that will also include a program of appropriate services to help seniors and persons with special needs to live as independently as possible in Program Year 2007. In the last three (3) years, the City has assisted in the development or acquisition of 252 units of rental housing for senior and special needs populations.

The City matched the HOME funds with \$293,513.01 out of \$5,347,049.40 available in excess match from prior Federal fiscal years. HUD congratulates the City on meeting the match required by the HOME regulations.

During the program year, the City conducted on-site monitoring of four HOME assisted projects but fell short of its regulatory requirement to conduct an annual on-site inspection of HOME rental projects. HUD reminds the City that HOME regulations require that City perform on-site inspections of HOME-assisted rental housing no less than every three years for projects containing 1 to 4 units; every two years for projects containing 5 to 25 units; and every year for projects containing 26 or more units. The performance of each contractor and subrecipient receiving HOME funds must also be reviewed by the City at least annually. Failure to complete

the inspections can result in the City's CPD funding certifications being challenged and may impact future HOME allocations.

HUD notes the various activities undertaken by the City that are slow moving with little activity during the program year: the Saint Francis Residential Elderly Care and the Hui Kauhale Ewa Villages Area H. HUD understands the challenges of implementing housing construction projects due to its high costs and encourages the City to continue its leveraging of other federal, state, and private resources to supplement its HOME allocations to further develop affordable housing projects on Oahu.

ESG

The City supported a number of homeless shelters and providers during the program year. The City carried out 11 activities funding homeless shelter operations and essential services and one (1) homeless prevention rental assistance activity.

The City met or surpassed the following Consolidated Plan goals to strengthen communities for program years 2005-2007:

- Provided grants to service providers to pay operating costs for emergency and transitional shelters to shelter 3,121 homeless people in Program Year 2007. In the last three years, 16,590 homeless people have benefited from the emergency and transitional shelters that received assistance from the City.
- Provided grants to service providers for the provisions of social services including case management and medical clinic services to improve the condition of 1,828 homeless people in Program Year 2007. A total of 10,940 homeless people have benefited from the supportive services funded by the City in the last three (3) years.
- Provided funds as needed to renovate four (4) emergency and transitional shelters to allow continued shelter for homeless persons in the last three (3) years.

The City took the following affirmative steps towards accomplishing Consolidated Plan goals to strengthen communities in program years 2005-2007:

- Provided grants to shelters to transition homeless to transitional shelters to accommodate 192 families in Program Year 2007. A total of 327 families have been served by the program since Program Year 2005.
- Provided funds for emergency homeless prevention rental assistance to 10 persons otherwise able to continue rent payments in Program Year 2007.

The City's support has ensured that the City's homeless are given an opportunity to become self-sufficient. HUD encourages the City to continue its support of its homeless providers.

During the program year, the City matched the \$392,731.76 in ESG funds provided by HUD with \$451,117.30 in CDBG match. HUD congratulates the City on meeting the dollar-for-dollar match required by the ESG regulations.

HOPWA

The City distributes its HOPWA allocation to the Gregory House Programs and Life Foundation who provide tenant-based rental assistance, short-term rent mortgage and utility payments, and supportive services to individuals with HIV/AIDS. HUD recognizes that the City has assisted more individuals than anticipated and has expended its HOPWA funds timely.

The City met or surpassed the following Consolidated Plan goals to provide affordable housing for special needs populations for program years 2005-2007:

- Provided emergency rent, mortgage, and utility payment to 101 persons with HIV/AIDS who are at risk of homelessness due to the impacts of the HIV/AIDS infection in order to prevent homelessness in Program Year 2007. A total of 275 persons with HIV/AIDS received short-term rent mortgage and utility assistance in the last three (3) years.
- Provided tenant based rental assistance to 35 persons with HIV/AIDS who would otherwise be unable to afford the cost to rent safe, sanitary, and secure long-term housing in Program Year 2007. A total of 165 persons with HIV/AIDS received tenant based rental assistance in the last three (3) years.
- Provided housing specific supportive services to 101 persons with HIV/AIDS including maintaining lists of available housing, by working with landlords to accept clients, coaching clients to help them secure housing, and helping clients maintain their housing through follow up services in Program Year 2007. A total of 292 persons with HIV/AIDS benefited from supportive services funded by the City.

The City took the following affirmative steps towards accomplishing Consolidated Plan goals to strengthen communities in program years 2005-2007:

- Provided integrated case management services to assist 78 persons with HIV/AIDS access the goods and services necessary to maintain their health, and live as independently as possible in Program Year 2007.
- Provided services of a volunteer services coordinator to coordinate the delivery of services to 78 persons with HIV/AIDS by community volunteers. Volunteer services included transportation to shopping and medical appointments, delivery of meals and other good and services, and companionship to prevent persons with HIV/AIDS from becoming isolated in their own homes.

The City's support has ensured that the persons with HIV/AIDS in Oahu have greater access to affordable housing and special needs services. HUD encourages the City to continue its support of its HIV/AIDS providers.

Continuum of Care

During Program Year 2007, the City has addressed its permanent supportive housing programs through the Institute for Human Services' (IHS) Shelter Plus Care program which will place chronically homeless persons into permanent housing in the community, Gregory House Programs Shelter Plus Care Program which provides rental assistance to homeless persons with HIV/AIDS, and Kalihi-Palama Health Center's Shelter Plus Care Program and the Steadfast Housing Development Corporation's Shelter Plus Care program which provides rental assistance and supportive services to homeless persons with disabilities. IHS added six (6) new beds to one of its Shelter Plus Care programs. Affordable Housing Homeless Alliance operated three homeless resource centers in Central, Windward, and North Shore. Kahikolu Ohana Hale O Waianae will open a 56-unit emergency and 32-unit transitional housing project in late 2008. The Honolulu Community Action Program anticipates beginning operation of a 70-unit supportive housing project in Kalaeloa in late 2008. Villages of Maili, a new 80-unit transitional housing project for families, will open in November 2008. Housing Solutions expects to complete development of a 50-unit supportive housing project in Waianae by 2010.

The City continues to develop and strengthen its Continuum of Care program. The City is a participant in the Hawaii Interagency Council on Homelessness, whose goal is to develop a plan to more comprehensively integrate a system of housing and services to assist individuals who are chronically homeless. City worked in partnership with Partners In Care to develop, enhance and implement a Continuum of Care strategy for the homeless. HUD wishes the City and its partners continued success in implementing actions to end homelessness.

Community Empowerment

As part of its Consolidated Plan, the City developed a Citizen Participation Plan. The Plan is intended to develop ways to involve the public in the development of the Consolidated Plan/Action Plan. Opportunities were provided for citizen participation in the development of the Plan and performance report through public hearings. The City reported that no oral or written comments were received. HUD encourages the City to continue its efforts to foster public participation and encourage the City to explore additional opportunities to involve the public in its planning process.

Management of Funds

In accordance with the CDBG regulations, the timeliness ratio benchmark should be 1.50 or below, 60 days prior to the end of the City's program year. On the test date of May 2, 2008, the City's timeliness ratio was 1.49. The staff responsible for the CPD programs work diligently to ensure HUD funding is spent in accordance with program requirements. HUD anticipates the City will strive to achieve the timeliness goals and that these efforts will ensure future CDBG funding will not be compromised.

Areas for Improvement and Recommendations

The City needs to:

- Continue its efforts to strengthen internal controls and carefully monitor the CPD programs.
- Ensure that projects are timely and funds are protected from fraud, waste, and abuse.
- Comply with the HOME program rental housing monitoring regulations.
- Identify project obstacles and develop plans to address these obstacles in order to strengthen its programs.

Fair Housing & Equal Opportunity

HUD notes that the City's Analysis of Impediments (AI) was completed in 2003-2004. The City is in the process of updating its AI with the assistance of a local research company. HUD encourages the City to continue its activities that address the impediments identified in the AI document. The CAPER was forwarded to Mr. Jelani Madaraka, Lead Equal Opportunity Specialist, HUD Honolulu Field Office, to review for compliance with Fair Housing and Equal Opportunity requirements. He will forward any comments or questions he may have under separate cover.

Conclusion

Overall, the City is meeting its community needs by planning and executing a Consolidated Plan with a vision for the future, and by implementing this Plan through its Annual Action Plan. As a result, the City has assisted the entire community, especially low- to moderate-income individuals. HUD encourages the City to continue its support of various housing and community development programs, and want to recognize the City's staff for their dedication to the CPD programs. The program staff is a credit to the City and its CPD programs.